

**Middlesex County Chamber of Commerce**  
**Testimony in support of Senate Bill 20, An Act Concerning the Assessment Methodology**  
**Used by the Insurance Department and the Office of the Healthcare Advocate.**

There are 1,200 insurance companies writing policies in Connecticut. However, the budgets for the Department of Insurance and the Office of the Healthcare Advocate are funded only by 104 Connecticut domiciled companies – less than 10 percent of the industry. These 104 domestic companies are those companies with their home offices here in Connecticut, such as Middlesex Mutual, which has been a Middletown, CT. domiciled company since 1836 and today employs over 300 people in our state. As we all know, Connecticut has traditionally been known as the “insurance capital of the world” – but that has unfortunately changed in recent years as insurance companies, for a variety of business reasons such as mergers, have started to re-domicile all or part of their operations to other states. To put it another way, they have chosen to move their corporate headquarters to other places, outside of Connecticut. The result is a 56% increase in assessments since 2004 on only Connecticut companies and not on foreign competitors. This is not merely inequitable in terms of its impact on the insurance companies competing for customers here in Connecticut; it also creates an unfriendly business climate for those insurance companies, like Middlesex Mutual, who have chosen to incorporate and domicile themselves here in Connecticut. A simple adjustment to the method of calculating the annual assessment, from its current method of assessing only those companies headquartered in Connecticut, to assessing all companies, foreign and domestic, which operate and write business in Connecticut, would serve to level the playing field and broaden the base across the companies over which the assessment is levied. This is the manner in which 48 other states assess insurance companies. This change would indisputably result in lower assessments across the board for companies domiciled here in Connecticut and would serve to create a fairer market within which all companies would operate.

In summary, I urge you to support Senate Bill 20. This bill will help keep local domiciled insurance companies and jobs here in Connecticut, will level the playing field between domiciled and foreign insurance companies and will broaden the financial base across all insurance companies over which the assessment is levied and which are regulated by the Department of Insurance. Finally, it will help local independent agents compete for customer business herein Connecticut by keeping local insurance companies here in our state.

Thank you for the opportunity to testify.